



Joseph E. Kernan, Governor
Alan D. Degner, Commissioner

10 N. Senate Avenue
Indianapolis, IN 46204-2277
Phone: 317-232-7670
FAX: 317-233-4793
TDD: 317-232-7560
<http://www.workforce.IN.gov>

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TO: Chief Elected Officials
WIB Chairs
WIB Directors
Program Directors

FROM: Diana Gushrowski, Interim Deputy Commissioner/Controller
Finance and Administration

DATE: April 30, 2004

SUBJ: DWD Commissioners Directive #2003-32
Integrated Services Contract for PY'04/PY'05

RE: All funding sources within the Integrated Services Contract

Purpose:

The purpose of this communication is to provide guidelines for development of integrated services contracts for Program Years 2004 and 2005. These contracts are necessary for the continued reimbursement of collocation expenses shared between the Department of Workforce Development (DWD) and the Workforce Investment Board (WIB) for the local one stop operation.

Rescissions:

None

Content:

The guidelines and documents necessary for the development of an integrated services contract are attached. A copy of the Contract Narrative form and Budget pages will also be electronically sent to each WIB Director. The current approved PY'03 contract budget figures should be used as a guideline to develop an operating budget for the PY'04 and PY'05 timeframe (7/1/04 - 6/30/06). The contracts may need to be modified later into PY'04 and PY'05 if changes occur in how collocation expenses should be reimbursed. A special contract will need to be developed that is different from the documents provided with this directive if reimbursement of collocation expenses will involve one-stop partners in addition to DWD and the WIB.

Effective Date:

July 1, 2004

Ending Date:

June 30, 2006

Ownership:

Administrative Services

Action:

The guidelines contained in this policy are to be followed in preparing the integrated services contract. Please complete and return the attached contract package to Virginia Harrold, Grant Coordinator, by **close of business, May 24, 2004.**

As stated in this communication, the WIB, DWD Program Director (PD), and DWD Local Office Manager (LOM) are to work together to develop the integrated services contract. The primary lead person from DWD at the local level is the Program Director. The Summary Budget should contain the Program Director's signature to indicate concurrence with the contract budget figures. The Program Director should contact the DWD Grant and Contract Support Unit if local negotiations determine that there will only be reimbursement to DWD by the WIB. In this case all of the costs to be reimbursed would be known by DWD and a contract would be developed and sent to the WIB for their review and signature.

If functional supervision of state staff is included in this contract, an organizational chart must be submitted to DWD Grant and Contract Support Unit but will not become an attachment to the contract. This chart should provide the title of each position in the administrative and local integrated employment and training offices of the WIB. The chart should include all local DWD staff (WP, UI, LVER, and DVOP), as well as DWD administrative office outstationed staff (Audit, Appellate, Benefit Payment Control, Quality Control, Field Coordinators, etc.). The chart should show the formal and functional supervisory lines of DWD and WIB staff.

DWD will provide technical assistance on integrated services contracting for state and local negotiating team members on an as-needed basis. Questions concerning this communication may be directed to the Grant and Contract Support unit at 317/232-7356.

Attachment:

Integrated services contract guidelines (Attachment A)
IS-4 contract package (Attachment B)

Attachment A

GUIDELINES FOR DEVELOPMENT OF INTEGRATED SERVICES CONTRACTS

Local negotiating teams should negotiate integrated services contracts, consisting minimally of designated WIB, the local DWD Program Director and Local Office Manager(s). The integrated services contract developed by the local negotiating team should be submitted to DWD for review as specified in Attachment B of this communication. Following submission to DWD, the local negotiating team will correspond and/or meet with DWD Administrative Office staff to resolve any issues raised by DWD.

The Cost Allocation Plan (CAP) developed by the WIB will serve as the basis for establishing shared costs that require reimbursement by DWD if the plan is reasonable and equitable for all parties. This CAP must be on file with the Analysis and Reconciliation Unit under the DWD Controller. Leased-space costs will be determined by actual percentage of total square feet within each facility. A One-Stop Comprehensive Financial Management Technical Assistance Guide was issued by USDOL in July 2002. This technical assistance guide provides guidance on the uniform Federal policy on cost allocation and resource sharing for One-Stop career centers.

Budget Categories and Descriptions

The following categories of costs may be included in an integrated services contract to be reimbursed by DWD and/or the WIB:

A. Administrative Costs:

Administrative costs include the reimbursable staff costs and non-personal services (NPS) costs described in the narrative as necessary to administer the integrated services contract within the workforce investment area. Allowable administrative costs include costs associated with:

- Contract preparation/negotiation
- Accounting/record keeping/time tracking*
- Lease negotiations
- Issuing and handling checks
- Computer time
- Procurement
- Property management
- Marketing
- Administrative supervision**

*(*In situations where DWD personnel charge time that is reimbursed as part of this agreement, the WIB must reimburse DWD an additional 10% of the staff costs for administration of the expenses involved in this process. **This 10% Administrative, Staff, and Technical (AS&T) costs are DWD's indirect costs and should be reflected in the Administrative Costs line item on the budget page).***

*(**Each line item listed may include administrative supervision if accompanied by supporting rationale, or it may be rolled-up as a total amount.)*

B. Clerical Support/Contractual Supervision:

Clerical Support/Contractual Supervision includes costs related to both shared clerical support (i.e. one receptionist to serve all needs of a local office) and functional supervision services. Contractual Supervision may include functional supervision of local entity or one-stop operator staff by DWD staff, as well as functional supervision of labor exchange activities but not functional supervision of Unemployment Insurance activities by local entity or one-stop operator staff.

"Functional supervision" means providing oversight and direction of day-to-day activities of employees, including scheduling staff hours and detailing work assignments. Functional supervision is distinguished from "formal supervision," which is defined at 646 IAC 2-4-3(f)(2) to include the ability to hire, discipline, demote, promote, transfer, suspend, evaluate and process grievances. Any questions regarding functions included under "functional supervision" will be resolved by DWD.

Per 646 IAC 2-4-3(f)(2), the integrated services contract shall provide that every local DWD employee will be formally supervised by another DWD employee. If the integrated services contract includes provisions for Contractual Supervision, the party to the contract providing supervision services shall contribute to fact files and provide input regarding employee performance appraisals for the other party's employees. If the integrated services contract does not include provisions for Contractual Supervision, the local entity or one-stop operator shall provide input to DWD regarding the performance of DWD staff under local plan objectives.

C. Premises Expenses/Security:

Premises Expenses include all costs associated with the operation and maintenance of the building (ie. lease payments, utilities, security services, janitorial services, building maintenance, snow removal, handyman services, and ground maintenance). This category does not include property management or lease negotiations included under the category of Administrative Costs.

Leased space costs will be determined by actual percentage of total square feet within each facility per the 2003 Survey which was issued by DWD. This includes shared and common space.

D. Supply Expenses:

Supply Expenses include office supplies, forms, janitorial and maintenance supplies, and supplies valued at less than \$150.00 or with an expected life of less than one year.

Supplies used to support DWD operations should be purchased through the state system. In addition, supply purchases by the WIB reimbursable through the integrated services contract should be made through the state system whenever possible.

Unemployment Insurance funds may be used for Supply Expenses **only** in instances where WIB and Wagner-Peyser funds also share in the use and cost of the supplies.

E. Equipment Purchases:

Equipment Purchases include purchases of capital equipment valued at more than \$500.00 and/or having a serial number.

DWD will conduct procurement of equipment for DWD staff unless inclusion in the integrated services contract will result in reduced expense.

Unemployment Insurance funds may be used for Equipment Purchases **only** in instances where WIB and Wagner-Peyser funds also share in the use and cost of the equipment.

F. Equipment Expenses:

Equipment Expenses include repairs, rental, maintenance, and non-capital equipment purchases. Unemployment Insurance funds may be used for Equipment Expenses **only** in instances where WIB and Wagner-Peyser funds also share in the use and cost of the equipment.

G. Telephone and Data Line Expenses:

Telephone and Data Line Expenses include all charges normally contained in a telephone billing statement, including equipment rental. Telephone expenses should be allocated in accordance with the number of telephone instruments within each facility. Expenses for telephone lines supporting FAX machines, personal computers, shared printers, and expenses for data lines must be included in this contract.

H. Miscellaneous Expenses:

Miscellaneous Expenses include, but are not limited to, liability insurance premiums, post office box rental, etc. The integrated services contract should not include liability insurance premiums for premises owned or leased by DWD. Liability insurance premiums **may** be included for premises owned or leased by the WIB.

Expenses Not Permitted

The following types of expenses are not permitted to be included in an integrated services contract. This list of expenses not permitted to be included in an integrated services contract is not intended to be exhaustive.

A. Discretionary Funds:

Integrated services contracts may not contain a budget category designated as discretionary funds or any other similar type of designation. As set out above, miscellaneous expenses are permitted only if properly described and justified.

B. Membership Expenses:

Membership in the Chamber of Commerce and other memberships for DWD staff are to be submitted through the routine procurement process and should not be included in the integrated services contract.

C. Travel and Training Expenses:

Funds for travel and training expenses should not be included in the integrated services contract. DWD staff should submit travel/trip requests through normal channels.

D. IRA Expenses:

Expenses related to the IRA resource area in a local office may not be charged to this contract. DWD local office staff will need to go through the procurement process to acquire items for this area.

E. Offsetting Costs:

Non-financial, offsetting staffs cost arrangements and other offsetting costs are not permissible provisions of an integrated services contract. All reimbursable expenses must be included in the integrated services contract budget.

Fiscal and Accounting Requirements

A. Reimbursement:

Costs must be accounted for and reported on an accrued basis via TFFIS as Accrued Expenditure Reports (AERs). Reimbursement will occur after timely receipt of the AER.

- AERs for reimbursement of expenses covered by an integrated services contract shall be due according to DWD policy.
- Reimbursement for expenditures will be based on the monthly AER due no later than the 10th working day.
- Late submission of the AER may prevent timely processing of reimbursement.

B. Allowable Adjustments Between Budget Categories (Line Items):

The WIB will be permitted to transfer between the following budget categories within individual programs:

- Premises Expenses
- Supply Expenses
- Telephone Expenses
- Equipment Expenses
- Miscellaneous Expenses

Line item adjustments **will not** be allowed between funding sources (ie. Wagner-Peyser, UI, LVER, DVOP) without prior written approval from DWD. Line item adjustments for any other budget category (i.e. Administrative Cost, Clerical/Contractual Supervision, and Equipment Purchases) are not permitted without modification of the integrated services contract.

In order to transfer budget categories within a funding source, the WIB shall submit a letter modification to the Grant and Contract Support Unit of DWD if the adjustment to a line item is (+) or (-) **20%** of the amount budgeted in the integrated services contract. The WIB must receive DWD approval of the letter modification.

ATTACHMENT B
Instructions for
PY'04/PY'05 Integrated Services Contract

I. General Instructions:

- A. Documents required for the contract package are **Exhibit A**, Applicable Statutes & Regulations and Assurances, **Exhibit B**, Project and **Exhibit C**, Budget. Two complete packages with original signatures on one must be submitted to the Department of Workforce Development.

Documents may be hand delivered or mailed to:

Virginia Harrold, Grant Coordinator
Department of Workforce Development
10 North Senate Ave., IGCS-SE305
Indianapolis, Indiana 46204

- B. Do not staple, bind or hole punch documents in any manner. Use large paper clips or place them securely in a folder.
- C. Complete appropriate blanks and assemble documents in the order of Exhibits after the boilerplate. The blank forms provided may be photocopied if additional copies are required.
- D. Consecutive page numbering is to be completed on the top of the reverse side of each page. The back of the first page of the agreement will be "page 1 of __", etc. Numbering pages in this manner allows us to make any necessary changes that affect the page numbering sequence.

II. Contract Agreement:

- A. Enter your Contract number IS-4-(customer number). The contract number will be used as an identifier on reports, correspondence, closeouts and audits during and after the contract period.

In the first paragraph enter the **full legal name** of the Contractor.

In 2 enter the duration period of the contract.

In 3(b), enter the entire amount of the contract to be obligated to you by the State.

In 3(d), if appropriate, enter the entire amount of any reimbursement the Contractor is obligating to the State.

In 26B, enter the name and address where notices should be sent.

In 26C, enter the name and address where payments should be sent.

- B. Signature Page: An original signature of the authorized signatory of the contract is necessary on the one original document. Both the WIB Chair and the Chief Elected Official (CEO) or designee must sign this document.
- C. Project Narrative: The Project Narrative of the contract is included as EXHIBIT B: Please complete the attached Project Narrative form for each office where there is a DWD and WIB presence. Only one Project Narrative form has to be completed if the means of sharing costs are the same for each office location. A description of contract costs or services should be provided where indicated.
- D. Budget Sheets: The Budgets are included as EXHIBIT C. A separate Individual Office Location Budget for PY'04 and PY'05 should be completed for each office where there is a DWD and WIB presence. The Summary Budget should also be submitted which totals each of the individual site budgets to one total for the Workforce Service Area. These budgets will show how each of the cost categories are allocated among each funding source and will also indicate the amount of funds to be reimbursed through this contract.

If utilizing electronic format, the subtotal for Section A, line 3 Premise Expense, subtotal for Section B and Total Budget will add automatically. Total for each row as well as the Total Amount of Reimbursement from/to each party will also tally automatically.

**CONTRACT FOR THE PROVISION
OF INTEGRATED EMPLOYMENT AND TRAINING SERVICES**

CONTRACT NO._____

This Contract, entered into by and between the Indiana Department of Workforce Development for and on behalf of the State of Indiana (hereinafter the "State") and the _____ (hereinafter the "Contractor") is executed pursuant IC 22-4-18-1(b)(4) and the terms and conditions set forth herein. In consideration of those mutual undertakings and covenants, the parties agree as follows:

1) Purpose of the Contract: The purpose of this Contract is to provide for the reimbursement of co-location expenses shared between the State and the Contractor. This Contract also encompasses the provision of services under the Wagner-Peyser Act, 29 USC 49, *et. seq.*, as well as the coordination of employment and training programs with Veterans and Unemployment Insurance programs operated by the State. The applicable federal and state statutes, rules and regulations, as the same may be amended from time to time, for the Contract funds are set forth in Exhibit A, attached hereto and incorporated fully herein. The Contract shall be used exclusively in accordance with the provisions contained in this Contract, and in the applicable federal and state statutes, rules and regulations. Contractor shall be responsible for performing the work described in the Project Statement, attached hereto as Exhibit B, and incorporated fully herein (the "Project" or the "Project Statement").

2) Term: The term of this Contract shall be from _____ until _____ (the "Expiration Date"). In no event shall payments be made for work done or services performed after the Expiration Date. The Contractor may request in writing that the Expiration Date only of this Contract be extended. Such request may be approved in writing by a duly authorized representative of the State. If the Expiration Date is extended, all other provisions of this Contract shall remain in full force and effect.

3) Budget: The Project Budget is set forth in Exhibit C, attached hereto and incorporated fully herein (the "Budget"). Maximum payment, on a cost reimbursement basis, is limited as follows:

- (a) The State agrees to reimburse the Contractor, on a cost reimbursement basis and pursuant to the terms of this Contract, for the actual co-location costs incurred by Contractor for which the State is legally responsible under applicable law.
- (b) In addition, the State agrees to pay the Contractor, on an accrued cost basis and pursuant to the terms of this Contract and the Project Statement:

- (1) \$_____, as specified in the Budget, or
- (2) The actual costs incurred in connection with the Project.
- (c) The Contractor agrees to reimburse the State, on a cost reimbursement basis and pursuant to the terms of this Contract, for the actual co-location costs incurred by the State for which the Contractor is legally responsible under applicable law.
- (d) In addition, the Contractor agrees to pay the State, on an accrued cost basis and pursuant to the terms of this Contract and the Project Statement:
 - (1) \$_____, as specified in the Budget, or
 - (2) The actual costs incurred in connection with the Project.

4) **Design and Implementation of Project/Assurances:** The Contractor shall be solely responsible for the proper design and implementation of the Project, as described in the Project Statement and in accordance with the terms and conditions of this Contract. In this regard, Contractor makes the following assurances:

- (a) The Contractor shall modify the Project services as directed by the State in the event statutes or regulations require such modification; and
- (b) The Contractor shall comply with all applicable policy and directives issued by the State; and
- (c) The Contractor represents and warrants that it has a current Cost Allocation Plan. A Cost Allocation Plan is current when it addresses an entity-wide allocation of **all funds** awarded to the Contractor by the State and received from separate funding sources.

5) **Establishment and Maintenance of Records, Cost Documentation, Reports and Inspections:** The Contractor shall utilize fiscal control and accounting procedures that permit the preparation of all required reports and the tracing of expenditures adequate to establish compliance with all applicable requirements. The Contractor shall prepare required reports that are uniform in definition, reasonably accessible and comprehensible to all authorized parties, verifiable for monitoring, reporting, audit and evaluation purposes, and in accordance with the specifications of the Statewide Management Information System as set forth by the State.

6) **Retention of Records.** The Contractor shall retain and make available all financial records, supporting documentation, statistical records, evaluation data, member information and personnel records for three (3) years from the

final Expiration Date of this Contract. If any litigation, claim, negotiation, audit or other action involving the records has been started before the expiration of the 3-year period, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular 3-year period, whichever is later.

7) Monitoring and Compliance: The State shall monitor the Contractor's compliance with the terms and conditions of the Contract including all applicable statutes, regulations, directives and mandates. The Contractor shall provide the State reasonable and adequate opportunity to conduct this monitoring, including providing the opportunity to review and audit all relevant documents, forms, reports or any other records at any time during the term of this Contract and after the Expiration Date as may be reasonably necessary to monitor compliance with this Contract. The Contractor will be responsible for on-site monitoring of any sub-recipient.

8) Audits: The Contractor shall produce all accounting books, bills, vouchers, documentation and records relating to this Contract to the auditor(s) selected by the Contractor to audit this Contract. The Contractor shall submit the auditor's report to the State within the earlier of 30 days after receipt of the auditor's report, or nine (9) months after the end of the audit period. The Contractor will be responsible for selecting the auditor(s) to audit of any subrecipient. The State will retain responsibility for audit resolution. All nongovernmental organizations are required by IC 5-11-1-4 to file an Entity Annual Report (form E-1) with the Indiana State Board of Accounts. The E-1 form is due within thirty (30) days after the entity's fiscal year end.

9) Authority to Bind Contractor: Notwithstanding anything in this Contract to the contrary, the signatory for the Contractor represents that he/she has been duly authorized to execute this Contract on behalf of the Contractor and has obtained all necessary or applicable approval from the Contractor to make this Contract fully binding upon the Contractor when his/her signature is affixed.

10) Payment of Funds by the State: The payment of funds by the State to the Contractor shall be made in accordance with the following schedule and conditions:

- (a) This Contract must be fully executed.
- (b) No funds that are transferred under this Contract shall be disbursed by the Contractor to another person to act as its agent or employee in performing the terms and conditions of this Contract without a written financial agreement between the Contractor and that person. This sub-contractor shall reserve the right of the Contractor not to honor request for payments received more that 60 days after the Expiration Date.
- (c) All payments by the State to the Contractor for services rendered pursuant to this Contract shall be made on an accrual (reimbursement)

basis and shall be accompanied with financial reports that are required by the State. No cost shall be accrued prior to the starting date of this Contract.

- (d) All payments by the State are subject to the encumbrance of monies, to the prohibition against advance payments under IC 4-13-2-20, and to all of the State's fiscal policies and procedures.
- (e) The State reserves the right not to honor requests for payment received more than 90 days after the Expiration Date. The State also reserves the right to withhold final payment until agency-required reports are received and accepted.
- (f) Failure to complete the Project and expend the funds in accordance with this Contract may be considered a material breach of this Contract and shall entitle the State to impose sanctions against the Contractor including, but not limited to, suspension of all contract payments until such time as all material breaches are cured to the State's satisfaction. Sanctions may also include repayment of all funds expended for activities which are not in the scope of the Project or the Budget. The remedies described in this subparagraph are in addition to any other remedies the State may have at law or equity.

11) **Compliance With Laws:** The Contractor agrees to comply with all applicable federal, state, and local laws, rules, regulations, or ordinances, and all provisions required thereby to be included herein are hereby incorporated by reference. The enactment of any state or federal statute or the promulgation of regulations thereunder after execution of this Contract shall be reviewed by the State and the Contractor to determine whether the provisions of the Contract require formal modification.

12) **Conflict of Interest:**

- (a) As used in this section:
 - “Immediate family” means the spouse and the unemancipated children of an individual.
 - “Interested Party” means:
 - (1) The individual executing this Contract;
 - (2) An individual who has an interest of three percent (3%) or more of Contractor, if Contractor is not an individual; or
 - (3) Any member of the immediate family of an individual specified under subdivision 1 or 2.
 - “Department” means the Indiana Department of Administration.
 - “Commission” means the State Ethics Commission.
- (b) The Department may cancel this Contract without recourse by Contractor if any interested party is an employee of the State of Indiana.

(c) The Department will not exercise its right of cancellation under section (b), above, if Contractor gives the Department an opinion by the Commission indicating that the existence of this Contract and the employment by the State of Indiana of the interested party does not violate any statute or code relating to ethical conduct of state employees. The Department may take action, including cancellation of this Contract, consistent with an opinion of the Commission obtained under this section.

(d) Contractor has an affirmative obligation under this Contract to disclose to the Department when an interested party is or becomes an employee of the State of Indiana. The obligation under this section extends only to those facts that Contractor knows or reasonably could know.

13) Confidentiality: The Contractor will abide by all applicable statutes, regulations, directives and mandates to protect the privacy rights and interests of individuals who apply for employment and training and related services. The Contractor will abide by the provisions of IC 22-4-19-6 and IC 4-1-6-1 *et seq.* Contractor recognizes that it is subject to the penalties for disclosure of protected information under IC 5-14-3-10.

14) Debarment and Suspension: Contractor certifies, by entering into this Contract, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from entering into this contract by any federal agency or department, or any agency or political subdivision of the State of Indiana. The term “principal” for purposes of this Contract is defined as an officer, director, owner, partner, key employee, or other person with primary management or supervisory responsibilities, or a person who has a critical influence on, or substantive control over, the operations of Contractor.

15) Drug-Free Workplace Certification: The Contractor hereby covenants and agrees to make a good faith effort to provide and maintain a drug-free workplace. Contractor will give written notice to the State within ten (10) days after receiving actual notice that an employee has been convicted of a criminal drug violation occurring in Contractor’s or any subcontractor’s workplace.

False certification or violation of the certification may result in sanctions including, but not limited to, suspension of Contract payments, termination of the Contract or grant and/or debarment of contract opportunities with the State of Indiana for up to three (3) years.

In addition to the provisions of the above paragraphs, if the total Contract amount set forth in this Contract is in excess of \$25,000.00, Contractor hereby further agrees that this Contract is expressly subject to the terms, conditions and representations of the following Certification:

This certification is required by Executive Order No. 90-5, April 12, 1990, issued by the Governor of Indiana. Pursuant to its delegated authority, the Indiana Department of Administration is requiring the inclusion of this certification in all Contracts with and grants from the State of Indiana in excess of \$25,000.00. No award of a contract or grant shall be

made, and no contract, grant, purchase order or agreement, the total amount of which exceeds \$25,000.00, shall be valid, unless and until this certification has been fully executed by the Contractor and made a part of the Contract or as part of the Contract.

The Contractor certifies and agrees that it will provide a drug-free workplace by:

- a) Publishing and providing to all of its employees a statement notifying their employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the Contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition; and
- b) Establishing a drug-free awareness program to inform their employees of (1) the dangers of drug abuse in the workplace; (2) the Contractor's policy of maintaining a drug-free workplace; (3) any available drug counseling, rehabilitation, and employee assistance programs; and (4) the penalties that may be imposed upon an employee for drug abuse violations occurring in the workplace; and
- c) Notifying all employees in the statement required by subparagraph (a) above that as a condition of continued employment the employee will (1) abide by the terms of the statement; and (2) notify the Contractor of any criminal drug statute conviction for a violation occurring in the workplace no later than five (5) days after such conviction;
- d) Notifying in writing the State within ten (10) days after receiving notice from an employee under subdivision (c)(2) above, or otherwise receiving actual notice of such conviction; and
- e) Within thirty (30) days after receiving notice under subdivision (c)(2) above of a conviction, imposing the following sanctions or remedial measures on any employee who is convicted of drug abuse violations occurring in the workplace: (1) take appropriate personnel action against the employee, up to and including termination; or (2) require such employee to satisfactorily participate in a drug abuse assistance or rehabilitation program approved for such purposes by a federal, state or local health, law enforcement, or other appropriate agency; and
- f) Making a good faith effort to maintain a drug-free workplace through the implementation of subparagraphs (a) through (e) above.

16) Funding Cancellation: When the Director of the State Budget Agency makes a written determination that funds are not appropriated or otherwise available to support continuation of performance of a contract, this Contract shall be canceled. A determination by the Budget Director that funds are not appropriated or otherwise available to support continuation of performance shall be final and conclusive.

17) **General Assurances and Certifications:** The Contractor certifies that in connection with the activities undertaken pursuant to this Contract:

- (a) No funds made available under this Contract shall be used to promote religious or anti-religious activities, or used for lobbying activities in violation of 18 U.S.C. 1913, or used for political activities in violation of 5 U.S.C. 1501 to 1508.
- (b) It shall establish safeguards adequate to prohibit employees or other persons from using their position with the Contractor for improper private gain for themselves or others. The Contractor will adopt corporate bylaws that establish procedures to avoid improper conflicts of interest.
- (c) It shall maintain an affirmative action plan, written personnel policies, and grievance procedures for complaints and grievances from applicants, participants and beneficiaries, subcontractors, employers, employees and other interested persons, all in accordance with all applicable statutes and regulations.
- (d) It is an equal opportunity employer and shall comply with Equal Employment Opportunity Commission practices as mandated by state and federal statutes and regulations.
- (e) The Grantee agrees to comply with the Uniform Conflict of Interest Standards for Workforce Investment Boards (WIB) issued by the State.
- (f) The Grantee will not expose participants to surroundings or working conditions which are unsanitary, hazardous or dangerous; participants employed or trained for inherently dangerous occupations shall be assigned to work in accordance with reasonable safety practices.

18) **Governing Laws:** This Contract shall be construed in accordance with and governed by the laws of the State of Indiana and suit, if any, must be brought in the State of Indiana.

19) **Indemnification:** The Contractor agrees to indemnify, defend, and hold harmless the State of Indiana and its agents, officers, and employees from all claims and suits, including court costs, attorneys' fees, and other expenses caused by any act or omission of the Contractor or its agent, if any. The State shall not provide such indemnification to the Contractor. If Grantee is a department, division or agency of the State of Indiana, the above indemnification provision is inapplicable.

20) **Independent Contractor:** Both parties hereto, in the performance of this Contract, will be acting in an individual capacity and not as agents, employees, partners, joint ventures or associates of one another. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purposes whatsoever. Neither party will assume any liability for any injury (including death) to any persons, or any

damage to any property arising out of the acts or omissions of the agents, employees, or subcontractors of the other party. The Contractor shall be responsible for providing all necessary unemployment and workers' compensation insurance for its employees.

21) Insurance and Bonding:

- (a) Contractor shall, at its sole cost and expense, provide comprehensive and general public liability insurance against claims for personal injury, death or property damage occurring in connection with the Project. The limits of such insurance shall not be less than \$300,000 combined single limit per occurrence, \$500,000 aggregate, and shall contain a deductible clause not greater than Ten Thousand Dollars (\$10,000). All insurance required hereunder shall be with a responsible carrier acceptable to the State, shall name the State as an additional insured, and shall also contain a provision for at least ten (10) days' notice to the State of cancellation. Contractor shall provide the State with a Certificate evidencing such insurance prior to the release of any Contract payments. Failure to maintain such insurance shall result in the termination of this Contract.
- (b) The Contractor shall provide a fidelity bond in the amount of (i) \$100,000, or (ii) the highest single total disbursement planned pursuant to this Contract and all other State contracts or grants outstanding to Contractor, whichever is higher, and covering all persons responsible for or handling funds received or disbursed under this Contract. This bond must show the State of Indiana as the obligee. It shall be the Contractor's responsibility to see that all persons handling funds under this Contract are bondable. Failure to provide such evidence to the State shall result in termination of this Contract and any funds awarded hereunder. Pursuant to Indiana Code 4-13-2-20(i), such security shall not be required if the Contractor is a school corporation (as defined in IC 20-10.1-1-1), or a state educational institution (as defined in IC 20-12-0.5-1).
- (c) If Contractor is a department, division or agency of the State of Indiana, or of a county, municipal or local government, the foregoing insurance coverages shall not be required; however, Contractor may elect to provide such coverages.

22) Licensing Standards: Contractor, its employees and any subcontractors shall comply with all applicable licensing, certification or accrediting standards and any other laws and regulations governing the services to be provided pursuant to this Contract. If licensure, certification or accreditation expires or is revoked, Contractor shall immediately notify the State.

23) Modification: The State and the Contractor shall modify or extend this Contract consistent with applicable law and DWD policy. Such modification or extension shall

be made by mutual written agreement of the parties and subsequent approval by all appropriate state officials or their designees.

The State and the Contractor further agree that either party shall be able to suggest system and administrative changes, notwithstanding any other provision of this Contract, in the following manner:

- (a) by written agreement, signed by the State and the Contractor, for any such change to this Contract that does not affect the period of performance, price, scope of work, budget or other provisions of this Contract.
- (b) The Contractor covenants that, while it is authorized to make budget adjustments within cost categories so long as the adjusted cost category amount continues to meet any maximum/minimum limitations, it will submit a letter modification to this Contract if the adjustment to a cost category is (+) or (-) 20% of the amount budgeted.

24) **Nondiscrimination:** Pursuant to IC 22-9-1-10 and the Civil Rights Act of 1964, Contractor and its subcontractors shall not discriminate against any employee or applicant for employment in the performance of this Contract. The Contractor shall not discriminate with respect to the hire, tenure, terms, conditions or privileges of employment or any matter directly or indirectly related to employment because of race, color, religion, sex, disability, national origin or ancestry. Breach of this covenant may be regarded as a material breach of this Contract. Acceptance of this Contract also signifies compliance with applicable federal laws, regulations, and executive orders prohibiting discrimination in the provision of services based on race, color, national origin, age, sex, disability or status as a veteran.

The Contractor understands that the State is a recipient of federal funds. Pursuant to that understanding, the Contractor and its subcontractor, if any, agree that if the Contractor employs fifty (50) or more employees and does at least \$50,000 worth of business with the State and is not exempt, the Contractor will comply with the affirmative action reporting requirements of 41 CFR 60-1.7. The Contractor shall comply with Section 202 of Executive Order 11246, as amended, 41 CFR 60-250, and 41 CFR 60-741, as amended, all of which are incorporated herein by specific reference. Breach of this covenant may be regarded as a material breach of this Contract.

25) **Notices:** Whenever any notice, statement or other communication shall be sent to the State or Contractor, it shall be sent to the following addresses, unless otherwise specifically advised.

A. Notices to the State shall be sent to:

Commissioner
Department of Workforce Development
10 North Senate Ave., IGCS, 3rd Floor
Indianapolis, Indiana 46204

B. Notices to the Contractor shall be sent to:

C. Payments to the Contractor shall be sent to:

26) **Order of Precedence:** Any inconsistency or ambiguity in this Contract shall be resolved by giving precedence in the following order: (1) this Contract, (2) Exhibits prepared by the State, and (3) Exhibits prepared by the Contractor.

27) **Penalties, Interest and Attorney Fees:** The State will in good faith perform its required obligations hereunder and does not agree to pay any penalties, liquidated damages, interest, or attorney's fees, except as required by Indiana law, in part, IC 5-17-5-1 *et seq.*, IC 34-54-8-5 *et seq.*, and IC 34-13-1-6 *et seq.* Notwithstanding the provisions contained in IC 5-17-5, the parties stipulate and agree that any liability resulting from the State's failure to make prompt payment shall be based solely on the amount of funding originating from the State and shall not be based on funding from federal or other sources.

28) **Property Management:** Title to all non-expendable personal property acquired with funds provided herein shall immediately become the property of the State upon delivery of such property by the vendor in accordance with the applicable Federal OMB circulars and the State Property Management Policy.

29) **Repayment:** The Contractor and, if applicable, its Guarantor are responsible for the repayment of costs determined to be disallowed in accordance with applicable statutes, regulations, directives or mandates. Repayment of such costs shall be made within thirty (30) calendar days of the final audit determination and, unless agreed to in writing by the State, shall be repaid from non-Federal funds. Responsibility of the Contractor, as set forth herein, shall not release any insurer or bonding company from any contractual duty to reimburse the insured, the State, or the obligee.

30) **Registration with the Secretary of State of Indiana:** The Contractor certifies that if it is a non-domestic entity, it is registered with the Indiana Secretary of State to do business in the State of Indiana.

31) **Taxes.** The State is exempt from state, federal and local taxes. The State will not be responsible for any taxes levied on the Contractor as a result of this Contract.

32) **Termination for Cause:** The State may terminate this Contract or withhold payments pursuant to this Contract for a material violation of a term or condition of this Contract, upon delivery of written notice to the Contractor of termination or withholding of payments. A material violation includes:

- a) Improper use of funds in connection with this Contract as reasonably determined by the State.
- b) Reasonable determination by the State that the successful performance of this Contract is improbable or infeasible.
- c) Termination or suspension of availability of federal funds for the performance of this Contract as reasonably determined by the State.
- d) Inability of the Contractor to repay any cost found to be disallowable by final audit resolution.
- e) Any other material failure to comply with a term or condition of this Contract as reasonably determined by the State.
- f) Failure to take proper corrective action in a timely manner as determined by the State.

33) **Termination for Convenience:** This Grant Agreement may be terminated, in whole or in part, by the State whenever, for any reason, the State determines that such termination is in the best interest of the State. Termination of services shall be effected by delivery to the Grantee of a Termination Notice at least thirty (30) days prior to the termination effective date, specifying the extent to which performance of services under such termination becomes effective. The Grantee shall be compensated for services properly performed prior to the effective date of termination. The State will not be liable for services performed after the effective date of termination, and in no case shall total payment made to the Grantee exceed the amount set forth in the Project or the Budget, nor shall any price increase be allowed on individual line items if canceled only in part prior to the original termination date.

34) **Lobbying Activities:**

- a) Pursuant to USC § 1352, and any regulations promulgated thereunder, Contractor hereby assures and certifies, and will require any subcontractor or subcontractor to assure and certify, that no federally appropriated funds have been paid, or will be paid, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in conjunction with the awarding of any federal contract, the making of any

federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan or cooperative agreement.

- b) If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this Contract, Contractor and any subcontractor shall complete and submit "Standard Form LLL" ("Disclosure Form to Report Lobby").

35) **Complete Agreement:** This Contract, including all attachments, is the complete agreement between the parties, notwithstanding prior discussions or documents.

36) **Statutory Authority of Grantee:** The Grantee expressly warrants to the State that it is statutorily eligible to receive the funds granted herein, and it expressly agrees to repay all monies paid to it under this Grant Agreement should a legal determination of its ineligibility be made by any court of competent jurisdiction.

37) **Non-Collusion and Acceptance:** The undersigned attests, subject to the penalties for perjury that he/she is the representative, agent, member or officer of the Contractor, that he/she has not, nor has any other member, employee, representative, agent or officer of the Contractor, directly or indirectly, to the best of his/her knowledge, entered into or offered to enter into any combination, collusion or agreement to receive or pay, and that he/she has not received or paid any sum of money or other consideration for the execution of this Contract other than that which appears upon the face hereof.

THE REST OF THIS PAGE IS LEFT BLANK INTENTIONALLY

The parties, having read and understanding the foregoing terms of this Contract, do by their respective signatures dated below hereby agree to the terms thereof.

CONTRACTOR:

Organization Name

CEO Signature

Typed or Printed Name

Date

WIB Chair Signature

Typed or Printed Name

Date

**INDIANA DEPARTMENT OF
ADMINISTRATION:**

Charles R. Martindale, Commissioner

Date

**INDIANA DEPARTMENT OF
WORKFORCE DEVELOPMENT:**

Alan D. Degner, Commissioner

Date

STATE BUDGET AGENCY:

Marilyn F. Schultz, Director

Date

APPROVED AS TO FORM AND LEGALITY:

*Form approval has been granted by the Office of
the Attorney General pursuant to IC 4-13-2-14.3(e)
on December 11, 2003.*

EXHIBIT A

WAGNER-PEYSER ACT FUNDS

Applicable Statutes and Regulations

- (a) 29 U.S.C. 49, the Wagner-Peyser Act;
- (b) 38 USC 4100-4214 (Job Counseling, Training and Placement Services for Veterans);
- (c) 29 USC 8 et seq., Federal Fair Labor Standards Act; and
- (d) 20 CFR 625 and 651 to 653;
- (e) 29 CFR 1627-32.

EXHIBIT A
UNEMPLOYMENT INSURANCE FUNDS

Applicable Statutes and Regulations

- (a) 640 IAC 1-1-1;
- (b) 26 USCA Sec. 3304 et seq.;
- (c) 38 USC 4100-4214 (Job Counseling, Training and Placement Services for Veterans);
- (d) 29 USC 8 et seq., Federal Fair Labor Standards Act; and
- (e) Indiana Department of Employment and Training (IC 22-4 et seq.) and accompanying rules, regulations and policy directives.

PROJECT NARRATIVE

Office Location(s): _____
(City or County)

Location Address(es): _____

Please complete the following information for each location where reimbursement is needed for collocation services. *If the means of sharing costs are the same in more than one location, you may include more than one office per page. However, you must indicate the address of each office included and a separate budget sheet is required.* Additional budget notes may be attached, as needed, to provide further clarification or justification.

1. Premise and Telephone Expenses

Who holds the lease at this site? _____

Lease Amount: _____ Lease Expiration Date: _____

Who is responsible for the payment of the following items at this location?
(Please check appropriate boxes in the chart below)

	Lease	DWD	WIA	Other	N/A
Utilities					
Janitorial					
HVAC					
Security Guard Services					
Security Alarm System					
Fire Alarm System					
Snow Removal					
Lawn Service					
Liability Insurance					
Trash Removal					
Internet Service Provider					
Data Lines					
Handyman Services					
Recycling					
PO Box					
Courier Service					
Telephone Maintenance					
Local Telephone Service					
Long Distance Service					

2. Administrative Costs

Are there any costs associated with the administration cost category in the contract budget? Yes____ No____

If yes, describe the administrative services provided, including a list of positions paid from this category.

3. Clerical Support/Contract Supervision

Will there be shared clerical support or functional supervision services? Yes____ No____

If yes, please describe the services provided to support the figures listed in the Clerical Support/Contract Supervision line item of the contract budget. This description should include a list of all positions, their role and responsibilities as it relates to this contract and the percentage of time involved.

4. Supply Expenses

Will there be shared supply expenses? Yes____ No____

If yes, who pays these costs?

WIB____ Fiscal Agent____ Service Provider____ DWD ____

If reimbursement is part of contract, please describe the supplies to be purchased.

5. Equipment Purchases/Equipment Expenses

Are there any shared equipment costs? Yes____ No____

If yes, who pays these costs?

WIB____ Fiscal Agent____ Service Provider____ DWD ____

If reimbursement is part of contract, please describe the equipment to be purchased or leased.

6. Miscellaneous Expenses

Are there any costs associated with the miscellaneous cost category in the contract budget? Yes____ No____

If yes, please provide a description below of the type of costs anticipated.
